a very interesting article on the "Problems of British Banking," Sir Charles observes that:

"It may even be questioned whether the gigantic size they have already attained does not constitute a menace to the predominant position which the Bank of England has hitherto enjoyed as the bankers' bank. How will the Bank of England be able to maintain its supremacy and control the money market, surrounded by banks individually greater and more powerful than itself, especially when the object in view is by raising the rate of interest to prevent an internal or external drain upon our gold reserve? It is even conceivable that the finance of the State may be threatened, and it is probably for this reason that in Germany the Prussian Minister is said to be considering a State monopoly of banking. Nor can the psychological effect of these great aggrandisements of capital in the hands of a few banks be ignored. They are virtually Government-guaranteed institutions. The insolvency of one of the great banks would involve such widespread disaster that no Government could stand aside. They would be compelled to make use of the national resources in order to guarantee the solvency of private banks. From Government guarantee to Government control is but a step, and but one step more to nationalisation. We are playing into the hands of Mr Sidney Webb and the Socialists."

As it happens, in the July number of the *Contemporary Review*, Mr Sidney Webb was developing the same theme, namely, the inevitability of banking monopoly and the necessity, as he conceives it, of defeating private monopoly for the sake

of profit, by State monopoly to be worked, as he hopes, in the public interest. His article is headed by the rather misleading title, " How to Prevent Banking